DOCUMENT RESUME

ED 149 950 RC 010 379

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TITLE Household Counterstream Migration: Are Migrants Universally at a Disadvantage?
SPONS AGENCY Department of Agriculture, Washington, D.C.
PUB DATE 6 Feb 78
NOTE 17p.; Paper presented at the Annual Meeting of the Southern Agricultural Economics Association (Houston, Texas, February 6-8, 1978)

EDRS PRICE MF-$0.83 HC-$1.67 Plus Postage.
DESCRIPTORS Academic Achievement; Age; *Differences; *Family Income; Heads of Households; Income; Migrants; Occupations; Racial Differences; *Relationship; Rural Areas; Sex Differences; *Southern States; Surveys; *Urban to Rural Migration
IDENTIFIERS *North Carolina; *Return Migration

ABSTRACT

Examining the relationship between urban to rural migrants and household income, 2,118 respondents representing urban and rural populations stratified across different labor markets within 8 counties in the northeastern Coastal Plains of North Carolina were surveyed. The variables employed were: households by race, female head, absence of 1974 earnings, and head not working; age and education of male or female head; earnings; and gross income. Variations in industry of work and occupations were also examined. Results indicated: households migrating into a small rural area had higher average household incomes than nonmigrant households; migrant households were headed by persons who were both younger and more educated than nonmigrant household heads on the average; migrant households had 15% less income in 1974 than nonmigrant households holding age, education, and other characteristics constant; over 8% (N=177) of the surveyed households were classified as migrant; almost 39% of the migrant households were considered return migrants; 60% of the nonmigrant households were white vs 85% of the in-migrant households; a larger percentage of nonmigrant households were headed by a female, had no work earnings, and had a household head that was not in the 1974 work force; more new migrants were white; migrant earnings and gross income levels were higher than nonmigrant households' and new migrant households' income was higher than return migrant households'. (JC)

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Abstract of

Household Counterstream Migration:

Are Migrants Universally at a Disadvantage?

Households migrating into a small rural area had higher average household incomes than nonmigrant households. But migrant households were headed by persons who were both younger and more educated than nonmigrant household heads on the average. Multiple regression results indicated migrant households had 15 percent less income in 1974 than nonmigrant households holding age, education, and other characteristics constant.

The results of this study were consistent with those found from analyses of rural to urban migration. The explanations for rural to urban migrants having lower incomes than urban nonmigrants tend to be expressed in terms of rural migrants having inferior skills or experience, inferior quality of schooling, or general problems associated with an origin in an economically disadvantaged area. With the study area being a rural area, in the South, and with a history of high net out-migration, such rural to urban explanations need additional evaluation. Or perhaps there may be a more general theory of migration than is frequently assumed; a theory that is not tied to geographic specification of origin or destination, vis a vis, rural vs. urban status. Are migrants' incomes lower, ceteris paribus, regardless of direction of migration?

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Household Counterstream Migration:

Are Migrants Universally at a Disadvantage?*

by

Leon B. Perkinson**

The United States was settled by migrants searching for new or better opportunities. The technological advancements in this century created many new jobs, eliminated some jobs, and caused shifts in jobs between one area of the country and another. Like the early settlers, people moved to seek new or better opportunities. Millions left the farm for other occupations and residences since 1920 in response to the technological evolution occurring in U.S. agriculture. However, in each year for which data are available, there was a simultaneous flow of people moving to the farm (Bureau of the Census, Historical Statistics, p. 96).

During the 1960's, the population in metropolitan areas increased 17 percent compared with a four percent increase for non-metropolitan areas (Hines, Brown and Zimmer, pp. 9, 66). Almost six million people migrated into metro areas during the decade, one-fourth of the metro growth. The almost three million moving from non-metro areas offset over one-half of the natural growth rate of non-metro areas.[1] These migration flows were considerably lower than the net migration of almost nine million into metro areas and the net out-migration from non-metro areas of 6.7 million during the 1950's.

Beale was one of the first to indicate that the long term migration into metro areas had apparently reversed and that the rapid metro growth had slowed perceptably during the early 1970's. The average annual growth rate of 1.7 percent for metro areas during the 1960's slowed to less than one percent between 1970 and 1973 (Beale, p. 6). More importantly, non-metro population increased over four percent and metro areas increased less than three percent.

Of the population aged four or over in 1974, 2.1 percent moved from outside an SMSA to an SMSA compared with 3.1 percent moving from an SMSA to an area outside an SMSA since 1970 (Bureau of the Census, Statistical Abstract, p. 19). SMSA's continued to receive in-migrants but more were leaving than arriving.

The concept that for every major stream of migration there is a counter-stream has existed at least since Ravenstein. Despite the massive net migration between rural and urban areas and from farm to non-farm residences indicated above, there was also reverse or "counterstream" migration occurring simultaneously.

This paper briefly examines household migration into a small rural area. While there is little reason to suspect that all non-metro areas will experience the reversal identified by Beale, it is important to identify some characteristics of counterstream migrant households. Past out-migration from rural areas has generally been selective of the more educated and the young. Despite such selectivity, rural to urban migrants were frequently at a disadvantage at their destination. As stated by Masters, ". . . recent migrants, both black and white, do not fare as well economically as long-term urban residents . . ." (p. 423). With migration generally being selective, however, counterstream migrants may also be among the younger and better educated. Household income, one measure of economic welfare, will be analyzed to see if variations in the characteristics of subpopulation's account for differences in household income.

In the next section, the study area, the sample, and the definition of migrant are briefly stated. Then, some observable characteristics of the households are examined. Finally, the "determinants" of household income will be analyzed.

The Study Area and Sample

Study Area

The study area included eight counties in the northeastern Coastal Plains of North Carolina.[2] There were only two towns with more than 10,000 population in 1970 and both were less than 30,000. Eight SMSA's were within 150 miles of the study area but no study county was included in or adjacent to an SMSA. The area had a net out-migration of over 44,000 persons during the 1950's and almost 34,000 during the 1960's (Clifford and Davis, pp. 17-24). The migration rate was almost 18 percent during the 1950's and 13 percent during the 1960's. Over 97 percent of the net migration was black during the 1960's (Bowles, Beale, and Lee). The study area was therefore predominantly rural, relatively isolated from any metropolitan growth, with relative high net out-migration.

The Sample

The entire area was the basic sampling unit with a proportional sample between urban and rural populations and stratified across the area so that different labor markets would be represented.[3] As the survey was designed to reflect the total work force, there is little reason to suspect that such a design would bias the migration response. There were 2,118 successfully completed questionnaires.

In-Migrants Defined

Decisions with respect to geographic boundaries, the population examined, and the duration and timing of the move influences the number classified as migrants and potentially influences the characteristics of the migrant population. Migrants in this study included only those with moves involving

the whole household between January 1, 1970 and interview date (spring of 1975). Intra-area moves were excluded.[4] Return migrants had lived in the county of 1975 residence at sometime prior to their "migration" into the county, a restrictive definition.[5] The remaining migrants were new migrants. All moves were considered valid regardless of duration, reason for move or, in the case of returnees, the age of respondents when they left the county.

Expected Relationships

Migration is self-selective and migrants tend to exhibit selective characteristics (e.g., younger and a higher level of education). Many of these relationships have been based on individuals but should also parallel household head characteristics. The expected relationships discussed are synthesized from and documented in the survey articles by Campbell and Johnson, and Greenwood.

With migration selective by age, one would expect in-migrant household heads to be younger than nonmigrant household heads. As return migrant households had a prior move, return migrant heads would be expected to be older than new migrant heads.

As migration tends to be selective for more education, one would expect in-migrants to have a higher educational attainment than nonmigrants. New migrant household heads would be expected to have higher educational attainment than return migrant heads. Deaton and Anschel concluded ". . . educational levels of return migrants are not substantially different from the adult population of (origin) . . . less educated than their cohorts in (origin), the adult population of (destination) and the permanent migrants." (p. 189).

New migrant households would have a composition more similar to nonmigrant households, with return households containing more broken households

since there may be a tendency to move toward other family members for support if normal family relationships are dissolved.

Income levels of nonmigrant households would be expected to be lower than for migrant households given the expected education and age levels. The evidence is contradictory between average and "standardized" income levels however (e.g., Campbell and Johnson, Hill).

These expected relationships are not exhaustive but cover the characteristics discussed in this paper.

Observable Characteristics

Over eight percent (177) of the surveyed households were classified as migrants (Table 1). Almost 39 percent of the migrant households were considered return migrants. Sixty percent of the nonmigrant households were white compared with 85 percent of the in-migrant households.[6] A larger percentage of nonmigrant households than migrant households were headed by a female, had no work earnings, and had a household head that was not in the work force during 1974.[7]

More new migrant households were white and a smaller percentage were without earnings and had a head that was not working than return migrant households. The difference in female heads was not significant. The differences between nonmigrant and new migrant households were significant for all of these variables. Between nonmigrant and return migrant households only the difference in race was significant. Therefore, so far as race, sex of head, and work force participation are indicative of household composition, migrants were different from nonmigrants as expected. But, except for race, it was new migrants, not return migrants, that were different from nonmigrant households.

TABLE 1: SELECTED CHARACTERISTICS OF SURVEYED HOUSEHOLDS, BY MIGRATORY STATUS[a]

	Unit	Non-Migrant	In-Migrant[b]	New	Returnee[c]
Households	No.	1,941	177	108	69
White	Pct.	59.8	85.3	93.5	72.5
Female head	Pct.	24.7	14.1	10.2	20.3
Without earnings[d]	Pct.	16.2	9.6	3.7	18.8
Head not working[e]	Pct.	25.0	15.8	8.3	27.5
Age					
Male head	Yrs.	48.3	37.3	36.3	39.2
Female head	Yrs.	58.6	44.5	37.5	50.0
Education					
Male head	Yrs.	9.3	13.1	14.1	11.5
Female head	Yrs.	8.6	11.7	14.2	9.7
Earnings[f]	Dol.	9,216	9,888	10,293	9,138
Gross income[g]	Dol.	10,621	11,087	11,770	10,018

[a]Characteristics of household and spouse were those as of the time of the survey in the spring of 1975. Other characteristics were for the calendar year 1974.

[b]Moved into study area after January 1, 1970.

[c]Moved into county of residence after January 1, 1970, but had lived in county previously.

[d]Household contained no one in the work force during 1974.

[e]No work indicated for head during 1974.

[f]Mean earnings from work in 1974 for those households with members in the work force.

[g]Mean income in 1974 of all households. Includes earnings plus interest, rent, pensions, disability, retirement, welfare payments and so forth.

Nonmigrant household heads were older and had less education than migrant household heads as expected. Return migrant heads were older than new migrant heads as expected, but the difference was not significant for male heads. The educational attainment of return migrant households was significantly lower than new migrant heads but, for male heads, higher than nonmigrant male heads.

Migrant earnings and gross income levels were higher than nonmigrant households and new migrant household income was higher than return migrant households.[8] The differences were not statistically significant despite the age and educational advantage of new migrants, implying considerable variability within each group. As the migrant-nonmigrant pools appear to have a different mix of characteristics, the question of whether or not income levels differ when characteristics of the subpopulations are accounted for becomes meaningful.

Household Income Relationships

Multiple regression was used to examine differences in gross income of households. Variables included were head's age, age squared, race, sex of head, and head's educational attainment. In addition, the number of persons in the household (directly related to welfare and retirement programs for gross income and indirectly related to earnings if a spouse must remain at home to care for small children), and the number of workers (directly related to potential household earnings) were included. Variations in industry of work and occupations were also examined. The reported results used a semi-log model for gross income.[9]

Standardizing the households by age, education, and sex of the head and the race, number of persons and workers within the household "explained"

50 percent of the variability in gross household income (equation 1, Table 2). The signs of the coefficients are consistent with previous studies on income. When migratory status was added to the model (equation 2), migrant households had about 16 percent less income than other households with identical characteristics.

As migration can be a search for opportunities in higher-paying occupations and as migrants may possess skills that out-migrants could not provide (Sjaastad, pp. 81, 83), occupational and industry mix of the head and spouse were incorporated into the model (equation 3). Migratory status was then added (equation 4). The contrast was consistent with the first set (equations 1 and 2): migrant households had significantly lower incomes than nonmigrant households. This is in direct contrast to what some of the literature would lead one to expect (Campbell and Johnson, p. 136).

Similar studies comparing recent migrants with the population at destination -- instead of origin -- have reported results generally consistent to those found here (Hill, Lansing and Morgan, Masters). However, Masters concluded that one explanation of lower rural-urban migrant income is the adjustment process that migrants go through and a potential problem of skills or experience (pp. 415, 421). Lansing and Morgan concluded the lower income of migrants was related ". . . to the disadvantages of those who move to economically advantaged areas compared to people who always have lived in those areas." (p. 449). The prime disadvantage was felt to be the differences in quality of education. Hill also felt his results were ". . . suggestive of earnings differentials due to regional differences in the quality of schooling . . ." (p. 419). Hill's southern black migrants were at a disadvantage to all other migrants to Detroit and the nonmigrant

Table 2: Semi-log regression analysis of 1974 gross household income for surveyed households.[a]

	Gross Income Equations			
	1	2	3	4
Intercept	6.820***[n]	6.849***	6.801***	6.849***
Head Age	.023***	.022***	.018***	.017***
(Head Age)^2	-.0002***	-.0002***	-.0001***	-.0001**
White	.313***	.319***	.311***	.318***
Male Head	.486***	.488***	.352***	.358***
Persons[b]	.020**	.020**	.054***	.052***
Workers[b]	.232***	.229***	.168***	.168***
Head Ed.[c]	.060***	.062***	.036***	.037***
In-migrant	-	-.156***	-	-.177***
INDUSTRY OF WORK[d]				
AG-MIHD[e]			.080	.067
AG-MI.SP	-		-.113**	-.124**
MFG.HD.[f]			.257***	.245***
MFG.SP			.129	.119
TD-FI.HD[g]			.255***	.240***
TD-FI.SP			.123*	.120*
SERV. HD[h]			.239***	.236***
SERV. SP			.196***	.184***
OTHER. HD[i]			.217***	.209***
OTHER. SP			.058	.056
OCCUPATIONS[j]				
PROF. HD[k]			.318***	.326***
PROF. SP.			.215***	.222***
SALES. HD[l]			.181***	.191***
SALES. SP			.098	.098
OPER. HD.[m]			.125***	.124***
OPER. SP.			.026	.030
R^2	50.0	50.3	56.2	56.6

[a]Dependent variable (income) in natural logs. Coefficients are interpretable as percentage (i.e., b_i*100 = percentage change in income given a unit change in x_i). Number of observations equals 2065.

[b]Per household. [c]Educational attainment of head.

[d]"Missing" categories were those not working: HD = head SP = spouse

[e]Agriculture and mining. [f]Manufacturing. [g]Trade and finance.

[h]Services. [i]All other including construction, public administration, etc.

[j]"Missing" categories included those not working, farm workers and "other" occupations. Farm workers and "others" not calculated because of collinearity with industry codes. HD = head; SP = spouse.

[k]Professional and kindred. [l]Sales and clerical.

[m]Craftsmen and operatives including transport.

[n]*** = 1 percent significance; ** = 5 percent significance; * = 10 percent significance.

population. And migrants from the South in general had significantly lower incomes than the nonmigrant population of Detroit (p. 417).

The results of this study, though consistent with the above, would indicate that quality of education or disadvantages associated with moving to economically advantaged areas are inadequate explanations of in-migrant lower incomes. The population studied reside in a rural area, in the South, with a history of high net out-migration. The consistency in finding that rural in-migrants also have lower incomes than nonmigrants is therefore somewhat surprising and indicates that the various hypotheses of Hill, Lansing and Morgan, and Masters need additional evaluation. Variations in skills were handled by examination of occupational and industry of employment mix but the results did not change. While quality of education has not been measured here, migrants possessed a much higher level of education than nonmigrants. One could only subjectively evaluate whether or not the quality is different between nonmigrants in the area and migrants. And the relationships found are neither peculiar nor unique for South to North migration or black migration as the study area is in the South and most of the migrants are white.

Conclusions

This study indicated that in-migrant income was higher than nonmigrant income until significant differences in means and characteristics of the different subpopulations were examined. Once the various characteristics of the household and household head were held constant, in-migrants were found to have significantly lower incomes. The lower income of in-migrants suggests that such migration is little different from rural to urban migration. But the explanations or hypotheses tendered to explain the lower incomes of rural-urban migrants do not seem to be applicable to this study.

Does this then imply that there is a more general theory of migration than is frequently assumed? Migrants' incomes are lower, ceteris paribus, regardless of direction of flow. Perhaps nonmigrants have evaluated their labor market alternatives more carefully than is frequently assumed. Maybe the adjustment processes for migrants are equally severe regardless of destination. Or do these results indicate only that migrants come in toward the bottom of the "seniority" system wherever they go? Perhaps there is a return to information or knowledge of the local labor market and area that is being measured.

The lower incomes of in-migrants, ceteris paribus, does not indicate that the decision to move to the area was erroneous. This contrast can be made only if household income prior to migration was known. Incomes may be higher after the move and still be lower than nonmigrants. Nor should the results be taken to imply that the area is worse off because of the migrants. On the average, they were younger with higher educational attainments and had a different occupational mix than the nonmigrant population. On the other hand, these results do indicate that while explanations of income differentials between rural-urban migrants and nonmigrants follow conventional theory, the explanations have not been adequate as they do not incompass rural in-migration. In general, it would appear that regardless of destination, in-migrants do not fare as well, at least initially, as nonmigrants.

FOOTNOTES

*Contributed paper, Southern Agricultural Economics Association annual meeting, Houston, Texas, February 6-8, 1978.

**Agricultural Economist, U. S. Department of Agriculture, Economics, Statistics and Cooperatives Service, stationed with the Department of Economics and Business, North Carolina State University, Raleigh. This paper has benefited from the comments of Dr. Dale M. Hoover and Dr. Robert M. Fearn. The opinions expressed in this paper are the author's and do not necessarily reflect the view of the U. S. Department of Agriculture or North Carolina State University.

[1]The net in-migration into metro areas does not equal the net out-migration from non-metro areas because of migration into the U. S. during the period.

[2]The eight counties were: Beaufort, Bertie, Greene, Hertford, Jones, Lenoir, Martin, and Pitt.

[3]The data used in this study were made available by Dr. Dale M. Hoover, Department of Economics and Business, North Carolina State University, from data collected to analyze the labor adjustments to tobacco harvest mechanization. The survey was made possible with the assistance of a grant from the U. S. Department of Labor, Employment and Training Administration (TPRM Grant No. 21-37-73-25).

[4]These were excluded to allow the analysis to concentrate on migrants to the study area.

[5]In retrospect, it would have been highly desirable to expand the return migrant definition to include prior residence in any of the eight counties in the study area. Unfortunately, not enough primary data was obtained to permit this extension.

[6]All differences cited in the text were significant at the five percent level unless otherwise noted.

[7]The absence of earnings from work indicated no one in the household worked for wages, salary, or in a self-employed (including farming) capacity. These households (and heads) were either fully retired or were not working for some other reason.

[8]When migration is considered as an investment in an income stream, the present and future income stream is discounted to evaluate whether or not the individual (household) income stream will improve enough to pay for the cost of a move. With no information available on their income prior to the move, one can only assume they are better off on the average than they were before the move.

[9]Gross income was in natural log form and independent variables were in linear form which means that the coefficients in Table 2 are percentage changes (when multiplied by 100) given a unit change in the independent variable. Standard linear models were also used for equations 1 and 2. The results were generally consistent with those reported but the R^2 was no larger than 37 percent. Similar equations to those in Table 2 were also applied to household earnings and were generally consistent with those shown. The R^2's were about 10 percentage points lower in each case however.

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